

PURPOSE

The Utility Capital Improvements Program budget provides for the construction of wastewater systems and water transmission, distribution and supply facilities, to include the engineering and acquisition program for additional groundwater supplies. Other water and wastewater system improvements are financed by accumulated JCSA funds for rehabilitation, replacement, extensions and expansions.

BUDGET COMMENTS

This budget proposes to direct facility fees (the initial connection fees when a new house or business connects to the system) towards financing Expansion projects and to transfer budgeted operating fund revenue (commodity service charges) towards financing Rehabilitation and Replacement (R & R) projects.

BUDGET SUMMARY

	<u>FY 03 Budget</u>	<u>FY 04 Adopted Plan</u>	<u>FY 04 Adopted</u>
<u>Revenues:</u>			
Prior Year Fund Balance	\$ 3,300,000	\$ 0	\$ 0
Debt Financing	9,500,000	0	0
Operating Fund Transfer	2,417,825	1,373,068	730,665
Facility Charges	<u>3,365,388</u>	<u>3,140,070</u>	<u>3,140,070</u>
Total Revenue	\$ <u>18,583,213</u>	\$ <u>4,513,138</u>	\$ <u>3,870,735</u>
<u>Expenditures:</u>			
Water Supply	\$ 14,108,213	\$ 1,223,138	\$ 580,735
Water Distribution	650,000	880,000	880,000
Water Storage	140,000	0	0
Water Transmission	700,000	200,000	200,000
Sewer System Improvements	2,625,000	1,710,000	1,710,000
Other Projects	<u>360,000</u>	<u>500,000</u>	<u>500,000</u>
Total Expenditures	\$ <u>18,583,213</u>	\$ <u>4,513,138</u>	\$ <u>3,870,735</u>

The FY 2004-2008 Capital Improvements Program (CIP) consists of six separate, but interrelated, segments of the utility program, all of which are important in keeping pace with County development. The proposed five-year plan defines an integrated program for the development of each of the six segments along parallel time frames, designed for adequate service to be provided in step with the County Comprehensive Plan and Strategic Management Plan. A brief description of the essential features of the six segments follows:

1. WATER SUPPLY (105-100)

Water Supply Escrow (1015) - This is a modified project request. This escrow account has been established to provide funding for new water supply projects in the future. This funding will allow the JCSA to explore other alternatives to meet projected water demands of James City County. A total of \$8,795,830 is requested over the five-year CIP to maintain this escrow. Funds used for this escrow are for expansion projects

Well Facility Upgrade (1025) - This is a modified project request. This project provides for the major repair or replacement of well facility pumps and motors due to age of the pumps and motors. The existing fund balance of \$76,500 is requested to be carried forward in the FY 2004-2008 CIP. A total of \$350,000 is requested over the next five years to complete this project. This is a rehabilitation project.

2. WATER DISTRIBUTION (105-110)

Water System Improvements (1150) - This is a modified project request. This project will provide funds for water distribution improvements to include installing water mains to close distribution loops and increase water main sizes to enhance water distribution. The existing fund balance of \$296,000 is requested to be carried forward in the FY 2004-2008 CIP. An additional \$1,240,000 is requested over the next five years to complete this project. This is a rehabilitation project.

Automatic Meter Reading System (1190) - This is a modified project request. This project provides for the replacement of existing water meter registers with an encoder register that will improve meter reading 2-3 times faster and can shorten billing cycle. A total of \$170,000 is requested in FY 2004 to complete this project. This is a replacement project.

Waterline Replacement Escrow (XXXX) - This is a new project request. This project will provide replacement of aging waterlines that may be identified during the fiscal year. A total of \$3,360,000 is requested over the next five years to complete this project. This is a replacement project.

Raleigh Square Waterline (1260) - This is a modified project request. This project will allow for the replacement and upgrade of water distribution system serving the neighborhood. The existing fund balance of \$50,000 is requested to be carried forward in FY 2004-2008 CIP with an additional \$140,000 requested to complete this project in FY 2004-2005. This is a replacement project.

Norge Area Waterline (1270) - This is a modified project request. This project will allow for the replacement and upgrade of water distribution system serving the neighborhood. The existing fund balance of \$100,000 is requested to be carried forward in FY 2004-2008 CIP with an additional \$600,000 in FY 2004 requested to complete this project. This is a replacement project.

3. WATER STORAGE (105-120)

Water Storage Tank Escrow (1240) - This is a new project request. This project provides for the construction of multiple size water storage tanks. A total of \$2,000,000 is requested over FY 2005-2007 to locate and construct a future water storage tank. This is an expansion project.

4. WATER TRANSMISSION (105-140)

Transmission Main Improvements (1495) - This is a modified project request. This project provides for the replacement of water transmission lines to convey large volumes of water through existing distribution system to enhance system pressures, fire flows, and water quality. A total of \$1,200,000 is requested over the five-year CIP. This is a replacement project.

5. WASTEWATER IMPROVEMENTS (105-150)

Odor Control System (2045) - This is a modified project request. The project will provide for the installation of an odor control system at the most offensive lift stations. The existing fund balance of \$132,000 is requested to be carried forward in the FY 2004-2008 CIP. An additional \$210,000 is requested over the five-year CIP to complete this project. This is a rehabilitation project.

Sewer System Improvements (2100) - This is a modified project request. This project will provide funds for sewer system improvements during the next five years. The existing balance of \$464,000 is requested to be carried forward in the FY 2004-2008 CIP while an additional \$1,500,000 is required over the five-year CIP to complete this project. This is a rehabilitation project.

Lift Station Dry/Wet Well Rehabilitation (2266) – This is a modified project request. This contract will provide for leak repair, root intrusion, and structural defects in facility dry/wet wells. The existing balance of \$225,000 is requested to be carried forward in the FY 2004-2008 CIP while an additional \$550,000 is required over the five-year CIP to complete this project. It is anticipated that six to eight stations will be identified in the initial study. This is a rehabilitation project.

Lift Station Controls (2310) – This is a modified project request. This project will provide for upgrade of facility controls, electrical wiring and generator replacement at six series stations. The existing balance of \$603,000 is requested to be carried forward in the FY 2004-2008 CIP while an additional \$100,000 is required in FY 2004 to complete this project. This is a rehabilitation project.

Lift Station Upgrades (2320) - This is a new project request. This project will provide for the replacement of compressors at seven facilities as well as replacement of station electrical controls. A total of \$920,000 is requested in FY 2004 through FY 2008 to complete this project. This is a rehabilitation project.

Lift Station 1-5 Windsor Forest Upgrade (XXXX) - This is a new project request. This project will provide for new pumps, motors and controls to accommodate increased flows and to allow for SCADA compatibility. A total of \$250,000 is requested in FY 2005 to complete this project. This is a replacement project.

Lift Station 5-4 Tequila Rose Upgrade (XXXX) - This is a new project request. This station is located in a flood prone area. This project will provide for a new control building, remotely

located from the pump dry and wet well along with new electrical controls and SCADA connection. A total of \$250,000 is requested in FY 2004 to complete this project. This is a replacement project.

Lift Station 3-9 Indigo Dam Road Upgrade (XXXX) - This is a new project request. This project provides for the replacement of obsolete control building. A total of \$150,000 is requested in FY 2005 to complete this project. This is a replacement project.

Sewer Bridge Rehabilitation (2355) - This is a modified project request. This project provides for the replacement or repair of numerous aging sewer bridges that cross ravines to prevent the bridge from collapsing and creating sewer spills. The existing fund balance of \$94,200 is requested to be carried forward in FY 2004-2008 CIP with an additional \$225,000 requested to complete this project. This is a replacement project.

School Lane Sewer Replacement (2360) - This is a modified project request. This project will provide for the replacement of approximately 2,000 feet of sewer line along School Lane due to cracks in pipes, open joints, heavy root intrusion, and inflow/infiltration. The existing fund balance of \$30,000 is requested to be carried forward in FY 2004-2008 CIP with an additional \$200,000 requested in FY 2004 to complete the project. This is a replacement project.

LS 1-7, 2-5, and 2-6 Building Replacement (XXXX) - This is a new project request. This project provides for building replacement to include station control, electrical, and generator rehabilitation. A total of \$300,000 is requested in FY 2008 to complete this project. This is a replacement project.

6. **OTHER PROJECTS (105-160)**

Tewning Road Expansion (3005) - This is a modified project request. The JCSA/JCC complex located at Tewning Road continues to grow. These funds will be escrowed for the purchase of additional land. The existing balance of \$1,082,000 is requested to be carried forward in the FY 2004-2008 CIP while an additional \$1,250,000 is requested over the five-year CIP. This is an expansion project.

Heavy Equipment (3085) - This is a modified request to replace several heavy equipment items. Scheduled equipment replacement includes a mini-jet/vac truck in FY 2004. Jet/Vac truck, one-ton truck, and a crew-cab in FY 2005. Dump truck, line truck, and a backhoe in FY 2006. Pump & Haul truck and a dump truck are projected for replacement in FY 2007. The existing balance of \$11,000 is requested to be carried forward in the FY 2004-2008 CIP with an additional \$1,110,000 is requested over the five-year CIP. This is a replacement project.

7. **BANK ACCOUNT FUND BALANCE**

The JCSA Investment Policy statement was approved by the Board of Directors on September 18, 1995, and was amended April 22, 1997. The fund is managed by TRUSCO Capital Management and has a fund balance of \$22,093,196 as of February 28, 2003. The JCSA has \$19,966,097 committed to approved capital improvements as of February 28, 2003. The balance of \$2,127,099 is being held in reserve for critical emergencies. This fund balance will fluctuate day-to-day as new revenue is deposited and expenditures are made for both operating costs and capital improvement projects.